

COBRA Process

Below is a general summary of the COBRA election and billing process. This process may vary between carriers, but is presented for informational purposes only. **Please advise those considering COBRA coverage that this is not an instantaneous process, and it may take two to three weeks from the time they mail their Election Form to be set up in the carriers' systems and receive a bill and insurance cards (if applicable).** For more detailed information regarding the process for a particular carrier, please call the Employee Benefits Unit.

1. The employee mails the COBRA Election Form to the Employee Benefits COBRA Coordinator.
2. COBRA Coordinator verifies COBRA enrollee's eligibility, tracks data, and maintains copy of form in file.
3. COBRA Coordinator sends COBRA Election Form to appropriate medical/dental carriers.
4. Carriers verify addresses, plan, dependents, etc., and enter data into COBRA billing system.
5. Carrier mails bills that include due date and period of coverage. This may be up to two weeks from the time the COBRA Coordinator sends the COBRA Election Form to them.
6. Carrier generates new ID cards (if applicable).
7. Prior to the end of the month, bills for following month are printed and mailed the next day.
8. Carrier may send a reminder notice if payment is not received. However, a notice is not required and COBRA enrollees may be dropped after the 30-day grace period has expired for nonpayment.
9. If payment has not been received after the end of the 30-day grace period, a notice may be sent indicating coverage has been canceled. Coverage that is canceled for nonpayment cannot be reinstated.

Please remind those considering COBRA that **their medical and dental insurance terminates as employees, or as dependents of an employee, the end of the month of their Qualifying Event** (this began in January 2003). They have 60 days from this termination date to elect COBRA, but until they do, they do not have coverage under the State's plans. Once they elect COBRA coverage, send in their enrollment form *and* it is processed, the coverage will, and must be, retroactive back to the day after their coverage terminated. Please also advise people that if they wait any significant amount of time to elect COBRA coverage, that is their right, but they will have to pay 2 – 3 months worth of premiums at one time once they do enroll, as the carrier will bill them for the past months' coverage as it is retroactive.

COBRA Notification Procedures

The COBRA law includes employer penalties for failing to comply with COBRA. Penalties can include being ordered to pay the medical expenses, without collecting back premiums and tax penalties of up to 10% of the amount paid for the medical/dental plan in a year. Legal actions usually favor the former employees if the employer is unable to provide evidence that notification of COBRA rights had been sent.

To assure the state is in compliance with COBRA law, certain documents must be maintained by each agency payroll or personnel administrator. These documents include:

- (a) BAG (Benefits Administrator Guide) – can print it out or make sure to maintain access to this site
- (b) All the materials included in the COBRA Enrollment Packet;
- (c) COBRA Tracking Log for monitoring the mailing of notices to employees and their covered dependents (copy included herein).

Initial Notification of COBRA Rights

As part of our compliance with the Department of Labor regulations on COBRA issued in 2003, there are notification requirements for employees and qualified beneficiaries when they **first** enroll in medical, dental or FSA benefits. This can be when they enroll as new hires, or during other times in their careers with the State (e.g. Open Enrollment). Please use the following procedures:

“Initial Notification of COBRA Rights” letter **must** be mailed to all Qualified Beneficiaries by individual name on the envelope to their known address. This letter can be found on this site. Document the name(s), address(es), and date(s) this COBRA notification is sent to all Qualified Beneficiaries.

COBRA Enrollment Rights Notification

When an employee has a Qualifying Event (as specified in the “COBRA Guide”) the agency payroll or personnel administrator has 14 days to comply with the following procedures:

- (a) Notify the employee, his/her covered spouse and covered dependents of their COBRA rights. A COBRA Enrollment Packet must be mailed. Be sure to include the “Enrollment Notice Letter,” new for 2004 (found on this site).
- (b) Using the COBRA Tracking Log, document that the notification has been sent to the employee.
 - (1) **No notifications will be hand-delivered to the employees.**
 - (2) All notifications **must** be mailed to all Qualified Beneficiaries by individual name on the envelope to their last known address. Document the name(s), address(es), and date(s) COBRA notifications are sent to all Qualified Beneficiaries.
 - (3) The Employee Benefits Unit prefers that you use certified mail as it facilitates tracking, especially for those employees who move, but first class mail is deemed sufficient for sending notifications to Qualified Beneficiaries.
 - (4) Documentation can also be a note placed in the employee's personnel file which specifies the name(s), address(es), and date(s) the COBRA notification was sent.

All documentation — *COBRA Tracking Logs, Certified Mail Receipts, envelopes of returned mail, and notations in personnel files* — must be maintained on file by the agency payroll/personnel administrator for a period of not less than six (6) years.

Other COBRA Concerns

Qualified Beneficiaries, whether or not enrolled in Medicare at the time of termination, can continue coverage on the state's plan through the COBRA continuation. For additional information, contact Medicare at 1-800-772-1213.

Please be sure to use the new letters, as of 2004, required as part of the new Department of Labor regulations, for both the initial notification of COBRA rights, when an employee first enrolls in medical, dental or FSA benefits, and for as part of the enrollment notice (the COBRA packet) when they experience a COBRA qualifying event. These letters can be found on this B.A.G. site.

Important Phone Numbers for COBRA

For the most part, COBRA participants should not contact payroll/personnel administrators, but if they do and you cannot answer their questions, please follow the guidelines below.

If they have **general questions about COBRA that you cannot answer**, such as the process, how it works, unusual situations and expedited enrollments, please have them contact the Employee Benefits Unit at 1-800-719-3434 or 303-866-3434.

If the person has **questions about the plan**, what is covered, doctors, hospitals and other general issues, please refer them to the customer service numbers for the carriers, as you would do for active employees and their dependents.

If they are already **enrolled under COBRA, and they have specific questions about their COBRA account**, such as billing, payment, and insurance cards or they need to change their address or cancel their coverage under COBRA, please provide the following numbers (**PLEASE DO NOT USE THESE NUMBERS FOR GENERAL QUESTIONS ABOUT COBRA**):

Anthem Blue Cross and Blue Shield	1-800-843-5621, ext. 2475 or 303-831-2475 (Denver Metro area)
Kaiser Permanente	1-866-595-0483, ext. 4719
PacifiCare	1-800-711-8230, ext. 5366
San Luis Valley HMO	1-800-475-8466 or 719-589-3696 (Alamosa)
Delta Dental	1-800-489-7168, ext. 408 or 303-741-9300, ext. 408 (Denver Metro area)

COBRA Enrollment Packet

New COBRA Enrollment Packets may be ordered from EagleDirect by sending an e-mail to fulfillment.stateco@eagledirect.com. Be sure to say that you want COBRA packets and indicate how many are needed.

Remember: The outer envelope of the COBRA packet does not have a return address now. Please put ***your agency's*** return address on that envelope.

The COBRA Enrollment Packet includes the following materials:

1. COBRA mailing envelope (outer envelope);
2. COBRA Guide;
3. COBRA Premiums
4. COBRA Election Form;
5. A return envelope that is self-addressed to Employee Benefits.

To this packet, you **must add the "COBRA Enrollment Notice" Letter**, available from this B.A.G. site.

KEEP PACKETS TOGETHER. DO NOT REMOVE INDIVIDUAL ITEMS FROM PACKETS. INDIVIDUAL ITEMS CAN BE DOWNLOADED FROM THIS B.A.G. SITE.

COBRA Election Form

Agency payroll or personnel administrators **MUST** complete the "For Agency Use Only" section of the COBRA Election Form. Enter the "Date of Qualifying Event" and the "Date Current Coverage Ends." The Qualifying Event date is typically one of the following: last day worked, termination date, date of divorce, date of death, birthday of a dependent aging out or graduation date of full-time student dependent. Should you have questions about the Qualifying Event date please call 303-866-3892. The "Date Current Coverage Ends" is the **last day of the month** of the Qualifying Event.

The COBRA Election Form is part of the COBRA Enrollment Packet. Order packets from EagleDirect using the e-mail provided earlier under "COBRA Packets." **DO NOT DISASSEMBLE COBRA PACKETS.** If an individual Cobra Election Form is required, you can download it from this site.